GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:2017
ANSWERED ON:15.03.2002
TECHNOLOGY UPGRADATION FUND SCHEME
RAMSHETH THAKUR

Will the Minister of TEXTILES be pleased to state:

(a) whether the various textile industries have not evinced sufficient interest in availing the facilities under the Technology Upgradation Fund Scheme;

(b) if so, the reasons therefor;

(c) the amount of fund allocated to textiles industry under the scheme so far;

(d) whether there is any proposal to modify the scheme to make it more effective; and

(e) if so , the details thereof?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAYA KUMAR)

(a) to (c) The Government has launched the Technology Upgradation Fund Scheme (TUFS) for modernization of the textile and jute industries in the country w.e.f. April 1, 1999, for a period of five years. This Scheme provides for reimbursement of five percent interest charged by the financial institutions/banks for technology upgradation projects in conformity with the Scheme. As on 31st January, 2002, a total of 1465 applications with investment proposals of Rs. 13747 crores were received, 1232 applications with the total loan amount of Rs. 5057 were sanctioned and Rs. 3282 crore has been disbursed against 968 applications.

(d) to (e) : For monitoring and review the Technology Upgradation Fund Scheme, an Inter-Ministerial Steering Committee (IMSC) under the Chairmanship of the Secretary (Textiles) has been constituted. A Technical Advisory and Monitoring Committee (TAMC) under the chairmanship of the Textile Commissioner has also been constituted to interpret, or clarify any technical issues raised by any of the nodal agencies regarding the eligibility of any unit or machinery under the scheme.

Taking in to account suggestions received from various organizations, government has been amending the Scheme to make it more user friendly. Some of these are as follows:
i) Providing an option to the Small Scale Sector Textile and jute industries for availing of either 12% Upfront Credit Linked Capital Subsidy or the existing 5% interest reimbursement.
ii) Restoring coverage of Cotton Ginning and Pressing Sector under TUFS with an option for G&P units to avail of benefits either under TUFS or Technology Mission on Cotton (TMC).